

Good evening Council President Pfeifer, Councilmembers, City Clerk Voorde, City staff and Department Heads, South Bend residents and taxpayers. I am honored to present this 2005 State of the City address which will highlight accomplishments of 2004 and propose actions for the coming year.

Though this address will focus on our community, I feel that it is important to reflect on the unthinkable disasters and tragedies which have gripped this world in recent months. Please join me in a moment of silence to remember the victims of genocide in Darfur, Sudan; victims of earthquakes and tsunamis in the Indian Ocean; victims of mudslides in California; and victims of war and terrorism around the globe. Let us be grateful for the relief and rescue workers who are struggling to bring them aid and comfort. Let us also remember our young men and women in the Armed Forces who are fighting in Afghanistan and Iraq, especially those who have lost their lives or have been wounded. Thank you.

In the face of catastrophe, the human spirit endures. It is resilient and strong and creative. It is persistent and positive. It is tenacious. It is the mark of a champion. That spirit exists here in South Bend. Though our challenges have paled by comparison to world events, we are a City of Champions. We have the spirit, the energy, the enthusiasm to respond to adversity and to create a world class city. Muhammad Ali said that "Champions aren't made in the gyms. Champions are made from something they have deep inside them: a desire, a dream, a vision." We are building that vision here in South Bend. We are a Championship City.

How do you spell C-H-A-M-P-I-O-N? Young David Tidmarsh knows. He won the Scripps National Spelling Bee last year by correctly spelling "autochthonous" (and hundreds of other words). He has been a great ambassador for South Bend and the South Bend School Corporation. He shows what talent, determination, hard work and vision can do. So too, the East Side Junior Girls Softball Team – World Champs! They know the value of good coaching, teamwork, friendship, practice and single-minded focus on a goal. Their coaches had promised to do cartwheels if the team was successful. Their form is a little suspect, but the spirit is good. On the west side of town, a team of young girls from the Martin Luther King Center competed in the AAU National Basketball Tourney in Louisiana. The Lady Tru Soldiers placed in the top sixteen in the 14 and under Division I. They overcame adversity to excel!

Earlier tonight, the Council honored the Notre Dame Women's National Champion Soccer Team. What a season! They showed perseverance and mental toughness. Each had her

specific assignment, but also provided backup when a teammate took a chance. They were innovative. They didn't rely on stars, they relied on each other. These very same characteristics are part of the fabric of our community, part of why I remain so optimistic about our future. This City is fielding a championship team, from frontline workers to department heads, from Boards and Commissions to all the volunteers who enrich our efforts. Tonight I want to focus on some of the championship efforts that we have made.

Thanks to our Sports Commission, Parks & Recreation staff and local USCKT members other champions visited South Bend in 2004. In April, the Olympic Kayak and Canoe Slalom Trials were held at the East Race to determine qualifiers for the Summer Olympics. Rebecca Giddens went on to win a Silver medal in Greece. When she was growing up, she would travel to the East Race every weekend from her home in Green Bay, Wisconsin to practice. Her persistence paid off. It was a great weekend for spectators as well as competitors at our world class whitewater facility. On July 2, the US Women's Olympic Softball Team warmed up for their undefeated run to the Gold medal by playing an exhibition game at the Belleville Softball complex. This facility was also host to the Men's National Fast Pitch Softball Tournament. Thousands of fans turned out for both events. Our staff and facilities got championship marks. Belleville is the only facility to host the premier men's and women's softball teams in the same year.

Opportunities to cheer on championship efforts will continue in 2005. At the end of March the McDonald's All American High School Basketball Game will bring top notch young athletes to our city. Please consider volunteering, so that this will be a memorable event for all involved. And, by all means, come out to watch some championship basketball. The East Race will again be the focus of attention in July when we host the Junior Olympics Slalom US Cup 4 (the final competition before the World Cup in Germany). Come out and enjoy the competition. You'll be impressed by the championship spirit.

It has been inspiring to recall the feats of these remarkable athletes (and one very special scholar). They are part of the story that makes South Bend a City of Champions, but the title goes further. It includes the men and women who deliver the goods every day, in freezing cold and sweltering heat, providing the services that our customers expect. It includes the partners that extend our efforts and fill the voids that government can't, or shouldn't, cover. This speech is the story of their achievements and of our dreams for the future.

Public Safety

When we think of champions, our thoughts immediately go to the courageous men and women of the Police and Fire Departments. Last year was a banner year for the Fire Department. We opened the new Central Fire Station and Administrative Headquarters at 1222 S. Michigan Street. This sparkling 56,000 s.f. facility with 7 equipment bays has training rooms and workout space. We have created an emergency Command Center. We also have the capacity to provide backup for our Communication Center. A flag which was flown at Ground Zero and was given to us by two New York City Firefighters is on permanent display in the lobby.

We are grateful to IVY Tech for welcoming us to the neighborhood. They provided the land for our new Central. We are developing an exciting partnership with them for Fire Science training and will share the use of classrooms in both buildings. We now have connections to fiber optic lines for use in long distance learning. This new facility will enhance our ability to provide the best training for firefighters. It will help to make our community safer in many different ways.

Speaking of training and being well prepared, last year the Fire Department hired ten recruits. They went through an exhaustive five month training program to be ready to serve this community. Perhaps the most exhaustive part of the training was the fitness sessions at the O'Brien Center. Various departments work hard to support one another as we strive to reach our potential.

We are adding a third bay to Station 10 on York Road. It will house two ambulances moved from Station 13. This change was required to make way for the retail development at Erskine Commons on Ireland. The new location will provide better quarters for the medics and will enhance service for our community. During 2005 we will complete plans to replace and relocate Stations 2 and 9. This goes hand in hand with a redistricting study to ensure that we have the best possible coverage for fire and ambulance runs. Other efforts to enhance public safety include an initiative to make all apparatus ALS qualified. This will provide better care at the scene before an ambulance arrives. Homeland Security funding has provided a new trailer and tow vehicle equipped for use at a chemical or biological incident and a Hazmat Command Vehicle.

The department follows a strategy of continuous improvement in order to have the best equipment and apparatus for firefighter safety and effectiveness. Last year we refurbished two Medic Units and Engine 8 at a cost of \$246,000. Replacing these vehicles was estimated to cost \$620,000. Purchasing good quality vehicles and providing top notch maintenance has helped us to save \$374,000. Other department measures also focused on firefighter safety. With assistance of a \$262,000 federal grant, we were able to acquire 78 SCBA with protection against chemical, biological, radiological and nuclear contaminants. We have added another radio frequency for a fire ground channel that will enhance firefighter communications and safety at an incident scene.

To remind us of the hazards of firefighting and the dedication of those men and women who have committed themselves to this career, and as a special tribute to our firefighters who have given their lives in the line of duty, South Bend Firefighters Local 362 created a poignant monument at Seitz Park. Dedicated on July 30, 2004, this beautiful sculpture has a prominent place on the riverfront. My thanks to all who helped make this homage to heroes possible.

If 2004 was the year of the new Central Fire Station, 2005 is the year that we will finally complete the major renovation of Police Headquarters. It has been a long process, and officers and staff have had to endure much disruption as construction crews worked around them, but it will be worth it. The renewed facility will include an indoor shooting range, large classrooms, conference space, and better public access. It will be a model training facility as well as provide comfortable, efficient work space. It will be a facility that matches the professionalism of our department. It's about time. My thanks to the Council for your support of the funding streams needed to bring these two facilities on line. We're proud to say that we did it within the budget limits that you established.

The new Police HQ supports our investment in crime fighting technology. Advances in lab tools have been a significant factor in the progress we are making to keep South Bend a Safe City. The Automated Fingerprint Identification System and Firearms Comparative Macroscopic are online. We have added equipment for forensic investigation including a Mobile Evidence Recovery Vehicle. Our Regional Crime Intelligence Unit has become a power user of the city's GIS. Their crime mapping helps us spot trends and devise better strategies to capture criminals. It is also used to make presentations to neighborhood groups. We are also taking advantage of technological advances for officer safety and Domestic Preparedness. A Bomb Disposal Robot is expected in Feb 2005. We have also acquired a Bomb Squad Response Truck, Bomb Disposal

Suit, an x-ray unit, Self Contained Breathing Apparatus and Personal Protective Equipment. We want to provide officers with the tools they need to be successful and safe.

Partnerships with the Department of Justice, the US Attorney for the Northern District, and other law enforcement agencies have been effective ways to target resources and remove violent offenders from the streets. We have established a Federal, State and Local Firearms and Violent Crimes Task Force. Project Disarm has taken 27 cases for federal prosecution. We are implementing a two year Youth Anti-violence grant. These efforts support the daily work of patrol officers and give us tools to act quickly and effectively. Partnerships with the community are another important component of our commitment to serve and protect. Neighborhood Watch, Weed & Seed, Commercial Corridor Action Teams, the COP Leadership Group and business and neighborhood associations provide good communication and teamwork. These efforts complement the excellent leadership and dedicated officers in our department. Together they are helping to bring down the crime rate in South Bend.

Major crimes are down 4% from 2003. Rapes were down 9%; Residential Burglary was down 7%; Arsons declined 15%. Robberies and Motor Vehicle Theft rose slightly; all other categories declined. Murder is the most violent and the most visible of crimes. The number can fluctuate significantly from year to year. In 2004 there were ten murders in South Bend. This is still too many, but it shows a positive trend, down 38% from 2003. Not since 1985 have there been fewer than ten murders in South Bend. By getting violent criminals off the streets and by enforcing additional penalties on gun related crimes, we are making headway. Since I became mayor, we have made impressive progress in improving the safety of our residents. Murder, Burglary, and Arson rates are half what they were in 1996. Robbery is down a third. Other crimes are down 25%. Total Major Crimes have declined a third. We have much yet to do, but with good partnerships with the community and other agencies, we will continue to keep South Bend safe.

One way the Police Department is working to break barriers is through expanded contact with youth in positive situations. For the 11th year the Police Youth Recreation Program brought more than 1,450 young people to various youth centers. This program allows police to establish positive relationships with young students from diverse backgrounds. It also provides a police presence at the participating centers. A Graffiti blitz on June 5th with more than 50 students from Washington High School covered 79 vandalized sites; another effort took place in September

with rookie officers painting 20 sites. In the Weed & Seed area students participated in a contest to design an Anti-Peer Pressure message. Winning artwork was displayed on billboards. 3500 students have received safety lessons from Safetyville and with the support of a federal grant, we were able to place School Resource Officers in intermediate schools.

Other outreach efforts include starting an Explorer Post for youth 14-18 and creating a Cadet program to help with college costs for young people who want to become South Bend police officers. In May we held a Town Hall meeting on minority recruitment. These efforts, in conjunction with the work of our Recruitment and Community Outreach Officers will help us to be more successful in diversifying our department. In 2004 we hired nine new police officers: 6 Caucasian, 2 African-American, and 1 Hispanic. This ratio reflects the mix of diversity in South Bend. We also hired two additional bilingual Communications Specialists. All officers receive diversity training as part of the 28,000 hours of training provided throughout the year. In 2005 we will introduce “Tools for Tolerance” as another way to help our officers respond effectively in a multi-cultural community. We have also taken a lead creating liaisons with the area’s mental health, geriatric and adult protective service agencies. This outreach demonstrates our commitment to serving special needs populations.

It was a busy year for the department. The Communications Center broadcast roughly 100,000 police dispatches; we issued 15,900 traffic citations and investigated 2,700 car crashes. The Investigative Division reviewed 26,000 cases. We are providing extended public service hours at records – full service 7am-6pm; limited service at other times. The Uniform Division uses multiple tactics from School Zone patrols and traffic blitzes, to directed patrols, walking and bike patrols, to attending neighborhood and business association meetings, as a way to remind people that we are here and that small matters are important too. We are grateful for assistance provided by VIPS and CVOs. They volunteered over 13,500 hours at various events, freeing up police officers for other duties.

I am thankful for the dedicated service of the men and women of the South Bend Police Department. They are true champions for our community as they help to build a safer city.

Code Enforcement

The other strong partner in neighborhood upkeep is Code Enforcement. In 2004, thirty homes were saved from demolition by working with prospective buyers; these structures were

fully renovated and their neighborhoods enhanced. 819 abandoned, unwanted and unsightly vehicles were removed from neighborhoods. Dedicated staff conducted 45,000 inspections of public nuisance, housing, zoning, and vehicle violations; we sent 17,581 notice letters; and the crew cleaned 6,384 properties. An improved personalized approach to owners brought better compliance: over 10,000 properties were cleaned by the owner or tenant. Participation has doubled in Adopt-a-Block in the Near Northwest Neighborhood; in 2005 River Park will join this innovative effort to keep neighborhoods clean. We will also introduce graffiti and Code education programs for our elementary schools in 2005.

Animal Control responded to 993 calls for service. We found new homes for 712 animals and 459 animals were returned to their owners. Our partnership with Pet Refuge brought Neuter Scooter to town. 1043 cats were spayed or neutered. This service helps stop overpopulation and reduce the spread of disease. It also decreases the need for euthanasia. We have many good pets that need homes. Will you take one?

Public Participation

Adopting a pet is one way to get involved in making our city better. There are many others. My administration believes in the power of public participation. It can sometimes be messy and take a little longer, but in the long run it produces the best results. Over the years we have involved residents in making public policy decisions through DTSB and the Commercial Corridor program. Our city engages residents at neighborhood organizations and partnership centers. We have a Neighborhood Resource Corporation which provides advice, training and support to grass roots groups. Police and Fire both offer “academies” to inform residents about the operations of these key departments. Two special initiatives bring this commitment to a new level: the Local Government Academy and City Plan.

In 2004 The Legal Department designed a ten week Local Government Academy to introduce residents to City operations and encourage them to participate in local government. The Academy is a way to communicate the broad responsibilities of the City to community leaders and the public at large. City employees served as the faculty and the "classroom" traveled to the Street, Police and Fire Departments, O'Brien Center, Century Center, the Morris Performing Arts Center, the Palais Royale and Human Rights Office, the Near Northwest Neighborhood Center, Rose Brick & Material, and the Common Council Chambers, where class

members presented a resolution at a mock Council meeting. The class also took a bus tour of several redevelopment, public works and neighborhood projects. The Academy showed people parts of the City they had never seen and how the City is working to serve them. The next session begins January 26.

City Plan is an inclusive comprehensive planning effort that is creating a blueprint for South Bend's growth during the next twenty years. It has involved the most intense outreach effort in the history of the city. Hundreds of citizens have come together to make this process and lecture series a resounding success. Involvement and collaboration between the public and private sectors are central to our goal: making South Bend a city that will continue to grow and offer the best services and opportunities for its residents. In 2004 our second lecture series added more material for discussions on what our city can become. We held report back sessions in each Council District on the Phase I vision. Then civic alliance panel members embarked on an analysis of current conditions, identifying issues that need to be addressed to achieve our vision. They divided into various topic areas and met with 500 stakeholders to do an in depth assessment. These results will be presented to the community in March. As Phase II of City Plan gives way to Phase III in 2005, goals and objectives for the achievement of the vision will take shape to serve as a guide to our future growth. I am excited about City Plan and delighted at the amount and quality of involvement. Our residents and businesses clearly want to be part of the team that is building South Bend. We're glad to have them on board.

Community Development

Our Community Development staff provides a direct link between city government and residents through their work with neighborhood and business organizations. They help to create targeted plans and manage programs that have significant impact on neighbors' lives. The last two years, they have also taken on the immense task of shepherding the City Plan process. Here is a sampling of the many activities they are engaged in:

We awarded nineteen After School grants (\$157,548) and ten Youth grants (\$16,747); 462 Building Block grants (\$73,681) helped to beautify our neighborhoods; façade matching grants brought almost ½ million dollars in investments to four commercial corridors; housing rehab grants totaled more than half a million dollars; several hundreds of volunteers helped Rebuilding Together restore twenty-six homes and the pride of the homeowners; as part of the

Model Block effort, 1237 Kinyon was rehabbed, curbs and walks were installed on Dunham and one property was bought, work will begin on Kenmore Street in 2005; \$1.5 million for curb & sidewalk work for Corridors, Model Block, NPC and neighborhood areas, including a half-million dollars for 151 customers in the shared cost curb and sidewalk program; Weed & Seed established 7 Safe Havens and a developed video “The Choice is Yours”; the billboard contest, coloring book contest, and graffiti blitz were also on the agenda. We keep this staff busy and out in direct contact with neighbors.

The Building Department reports that construction started on 147 new homes, worth \$20,000,000, in 2004 – this is a 5% increase from 2003. These homes were built in existing neighborhoods and in new subdivisions. It is the ninth consecutive year with greater than 100 new home starts and totals over 1100 new homes during my tenure. This was also our fourth consecutive year with greater than \$100,000,000 in total building construction. The new Zoning Ordinance should be a great tool for development. It is more user friendly and includes zoning districts and architectural features, landscape standards, signage requirements, and lighting requirements for softer impact. Some fine tuning may be needed, but it is a great improvement over the previous one. The Legal Department, Building Department and Area Plan Commission spent significant time developing this ordinance with good input from builders and developers. I appreciate the Council’s thorough review and passage of this important tool.

Parks & Recreation

This has been a year of partnerships for Parks & Recreation, allowing us to accomplish more with limited resources. Our partnership with South Bend Heritage Foundation brought new play equipment and a picnic pavilion to Coquillard Park. We will add walking paths and a spray playground in 2005. Our partnership with Rotary will create a new “Friendship Station” play structure at Belleville Park. This is South Bend Rotary’s Centennial project. It has already involved hundreds of students at Harrison, Wilson, St. Adalbert’s and Holy Family Schools in the design of the structure. On May 17-22, an army of volunteers will converge on the park to turn the dream into reality. Many friendships will be enriched there during construction and for years to come.

Our long term partnership with Memorial Health System has helped us to develop health and wellness programs at all three recreation centers. This complements the efforts of our Hearts

N Parks program which completed its third year of helping kids, city employees and seniors learn a healthier lifestyle – and have fun doing it. Despite these efforts, *Self* magazine reported that South Bend ranks low for women's health. I generally don't put much stock in these rankings that are primarily intended to sell magazines. Especially since they won't reveal the criteria for the study. They clearly were not aware of all our local efforts to promote healthy living. Both hospitals, the Healthy Communities Initiative, Women in Touch and the Women and Minority Health Coalition are among many groups committed to making our community healthier. We even have the nationally acclaimed HealthWorks Kids Museum.

Nevertheless, there is a word of caution here, not just for South Bend but for America in general. As a nation we are overweight and out of shape. We ought to do something about it. As I stand before you tonight, I can truthfully say that I have grown in this job in many ways. One of them is size – and I don't mean that I'm taller. I weigh 260 pounds. That's well above my playing weight. It is also twenty pounds less than I weighed two years ago at my all time high. I pledge to you that I will lose twenty pounds before my next State of the City address. And I ask you to join me in improving our health. Not everyone needs to lose weight, of course. But if you do, let's do it together. Let's do it sensibly by eating less and exercising more. Let's encourage one another in this effort. There are 1300 city employees. If we each lost an average of 8 pounds, we would shed a collective five tons! Let's get healthy! Let's do it for ourselves, but also for our families. We'll have more energy and a new spring in our steps. We'll be able to dance all night. I already have good news to report. A Weight Watchers group here at work has lost 423 pounds in a little over a year. That's inspirational!

Our three recreation centers are places where you can get needed exercise. Increased programming at all three centers provide expanded opportunities to participate. We recently completed renovation of the King Center, upgrading the gym, kitchen facilities, and the fitness center – with weights and cardio equipment. We have computer labs and wide screen projection movies. The renewed facility won an Indiana Parks & Recreation Association award for Best Facility/Program.

Potawatomi Zoo is another award winner. It was recognized by Child Magazine as one of the Top 20 Zoos for kids in the country! The Zoo exhibits over 400 animals, including 18 species that are critically endangered and are part of national species survival plans. The zoo may soon be ranked as one of the most romantic as well due to the success that our staff has had

breeding approved animals. The Red Pandas had twins last year, their second year for successful birthing; and we have received recommendation to breed Snow leopards and Amur leopards (less than 150 survive in the wild). So be on the watch for leopard cubs in the next two years. A new attraction at the zoo is the result of another special partnership. The Zoological Society acquired a 1/3 scale model C.P. Huntington Train. It lights up children's eyes as it carries visitors on a half mile loop through the grounds featuring animal and zoo facilities along the way. It was funded by generous contributions from families in our South Bend community. Come out and enjoy the ride!

For the eighth year in a row, South Bend has been designated a Tree City USA. During the August storm of 2003 we lost 94 trees in Rum Village Park. Last year we planted 100 trees to replace them. We also planted over 100 trees in other parks around the city, and 400 trees in the Karl Stevens nursery. Many people don't know that we have a Memorial Tree program. By making a donation to the parks, one can have a tree planted to commemorate a special occasion or a loved one who has died. This is a wonderful way to create a living memorial.

The decision to drop Summer in the City was difficult. Staff worked hard to provide a family friendly atmosphere with good food and lots to do. Despite accommodations that were made for nearby business owners, there were still complaints. It had also become too costly to provide sufficient security to ensure a safe event. We will continue to look for other ways to bring people together to celebrate the diversity of our community and to maximize use of our wonderful parks. On a positive note, I am pleased to announce that the parade will continue. It will become an exciting addition to the Hall of Fame Enshrinement festivities. This partnership should allow the parade to become even better.

2004 was a good year for the park system. Over 1,000,000 people attended events and programs that we sponsored from the Daddy-Daughter dance to Kids Triathlon. Our staff is expert at getting people moving. We also generated \$3.6 million in user fee revenue and half a million dollars in non-reverting fees. The Park Board completed an update of the five-year master plan. One of the most exciting prospects is the purchase of the Art Iron building to centralize maintenance operations. This will allow for demolition of the Howard Park facility, opening up new park space in 2005. We are already receiving imaginative proposals for use of that space. This city is truly blessed to have so many wonderful parks along our riverfront, including the linear parks created by our 5.4 miles of river trail system. In 2005 we will begin

construction of the new Riverside Trail moving north from Angela toward Pinhook Park. It will eventually connect with the Darden Bridge at the north end of the city. This is a great place to live!

Public Works

Champions know the value of teamwork, each person doing their part. Our Engineering Division provides critical behind the scenes support to many other city departments. It helps neighborhoods by overseeing curb and sidewalk work throughout the city. In 2004 we started a new lamppost shared cost program. 83 customers signed up to light up their neighborhoods. Engineering manages the GIS for the city, providing an effective tool for neighborhood planners and police. We use it to keep track of infrastructure and determine acreage for field application of biosolids from the wastewater treatment plant. It holds a wealth of information. You can see this technology at www.macoggis.com. Our staff designs and oversees various construction projects, saving the cost of consultants. We are currently analyzing downtown traffic signals in consideration of establishing two-way traffic. One of our major projects in 2004 was phase II of SB dam repairs. This work stabilized the structure, redirected water flow, and secured the base for Keepers of the Fire. Staff also worked with the Army Corps of Engineers on stabilization and restoration of Leeper Park Island wall, preserving this 1930's public works project. Even more visible will be the historic streetlights that we negotiated on the Michigan Street bridge when the State rebuilds it in 2005-6. Engineering has played a key role in development and construction of the new Studebaker Museum building. We are eager to hold the grand opening this fall.

Central Services also stars in a support role. We have our own body shop (unusual for a municipality), that can do complete collision repairs, prep work on new vehicles and restoration on certain units. It is also responsible for maintenance of snow equipment, which is critical this time of year. Equipment Services maintains more than 1100 pieces of equipment from small engine units to loaders and graders; it achieved 98.5% fleet availability in 2004. All city vehicle repair locations have received 5 star rating (highest) for waste management from IDEM. Radio Communications is responsible for all two-way communications for the city; it also maintains equipment in our 911 Dispatch Center; and services and installs overhead light bars, sirens and laptops on police cruisers. We are studying the technical and economic feasibility of changing

all city radio communications to 800 megahertz trunking to allow city and county public safety and resource personnel to communicate better.

Our Sewer crew maintains the complete system of sewer lines and retention basins. We do TV inspection for early detection of structural problems, possible root infiltration, or possible collapse. We clean lines to allow maximum flow and reduce back-ups. Last year we cleaned 7.9 miles with drag line and bucket. This is for the worst lines. Our jet rodder (hydraulic cleaning) uses high pressure water to move dirt and debris which is then vacuumed out at the manhole. 68 miles were cleaned using this method. We would like to be able to clean the entire system every five years. We also cleaned 4,796 catch basins. This is part of our stormwater management plan. Combined with regular street sweeping, it helps to keep pollutants out of our combined sewers and, more importantly, out of the river. We began a pilot program to plant wildflowers in retention basins. This holds down mowing costs, saving equipment wear and tear; it also looks nice. Providing a natural habitat is a win-win situation.

Our Wastewater Treatment Plant processed 11.8 billion gallons in 2004 = 32.2 million gal/day; this produced 4,000 tons of high quality biosolids that are rich in fertilizer and soil conditioning value and can be land applied. Modifications to secondary aeration tanks will allow the plant to run in different modes depending on weather conditions. Because of these improvements we will be able to handle higher volume wet weather flow and reduce overflows into the river. In December, we submitted our Long Term Control Plan to IDEM for review. Phase I will install storm sewers at locations that are prone to backup and basement flooding during rain events. It will cost \$118 million and take 7-10 years to implement. This action will reduce CSO events by 40%. Phase II of the plan has analyzed several alternatives. Before moving ahead, we need better information to make the best decision. Improvements in technology could provide a more cost effective fix. Toward that goal, we are partnering with Notre Dame and the State 21st Century Technology Fund on a project to develop embedded sensor networks that would create “smart valves” in the system. This research could be an important part of solving the national CSO challenge. It could also lead to new jobs by entrepreneurial companies meeting a societal need in a new and innovative way.

In a related matter, last July New Energy went online with equipment to reduce solids in its waste stream. This cut their discharge by 75%. In connection with the improvements at New Energy, we improved the Euclid Avenue sewer line. These actions should help reduce the sewer

odor problem that we have experienced. New Energy also spent millions of dollars to install new pollution control equipment on its smokestack. A side benefit of this investment will be a reduction in the air borne odors that have frequently plagued the area. I am grateful for these improvements to the plant.

Solid Waste will take its automated container program city-wide in 2005. Pilot areas with the new containers have celebrated cleaner alleys. Because this allows for more efficient pick up, there is no added charge to customers. Our Organic Resources Facility processed 84,000 cubic yards of leaves and 25,500 cubic yards of other yard waste. Crews also collected 9,648 cubic yards of brush, wood and wood chips. We sold and distributed 4500 cubic yards of compost and 8200 yards of mulch.

Our Street crews don't get an off season. They go from plowing snow to patching potholes; then comes paving, sweeping and street repairs, leaf pick up, and back to plowing. They also pick up Christmas trees, do alley reconstruction and grading and storm cleanup. In 2004 we acquired a second Road Patcher unit to respond more quickly and effectively when weather conditions provide a banner crop of potholes. We also used 560 tons of cold patch in 2004 to fill these nuisances. Crack sealing 475 blocks, used 16,500 gallons of asphalt emulsion to reduce moisture infiltration in the pavement. Crews also did 1179 inlays – ranging from full depth, to rotomilling one or two inches, to infrared technology which superheats the existing asphalt so it can be rejuvenated and creates a seamless repair. All these efforts prolong the life of our streets. In 2004 we used 60,000 tons of material to pave over 30 miles of streets. This was a 30% increase from 2003. It was a record year for the city. Thanks to the resources provided by the Wheel Tax, we are able to begin catching up and provide the paving program which our residents and businesses deserve. We also graded 136 miles of alleys and completed five miles of alley base stabilization. In our 16th year of leaf pickup, we collected 78,800 cubic yards of leaves and transported them to Organic Resources to be composted.

Traffic & Lighting is a quiet partner in keeping the city safe. In 2004 we painted 320 miles of yellow and white stripes on city streets. We installed 30,000 feet of thermoplastic markings that are longer lasting and more reflective than paint, concentrating on school crossings. T&L staff installed or repaired 868 street signs. We are now 90% complete replacing older signs with new, larger, more reflective signs. The department bought two new message boards to provide better information for motorists. The division maintains over 1300 light

fixtures owned by the city. They also changed 9,000 bulbs at traffic signals throughout the city. In 2005 we will use an energy saving contract to upgrade all traffic signals to LED lights. Key intersections will have walk lights with a countdown feature and UPS to keep them running during power outages. Savings in energy and manpower for these new signal heads will pay for their purchase and installation.

Water Works does a superb job providing high quality water. To keep up with demand and to provide sufficient pressure requires new investments and ongoing maintenance. In 2004 we installed a new well at Pinhook and added two more at Cleveland Road (2.1 million gal/day); we also added two booster stations to the distribution system. At the Edison Filtration Plant we replaced chlorine gas with sodium hypochlorite, which is generated on site; a fire suppression system was added. This setup is much safer for employees and the neighborhood. We also replaced a 1948 well at this site. Our most unusual challenge was replacing four large diameter main line valves that were over 100 years old. Using line stopping technology, we were able to minimize disruption and get the lines back in service quickly. The Council has just passed a rate increase to provide funds to implement the next phase of the Master Plan. This will allow us to meet the community's need for water supply, treatment, storage, pumping, and distribution. The new rate structure will be reviewed by the IURC to guarantee that the dollars are needed. South Bend still maintains one of the most affordable water systems in the state.

Financial Status/Challenges

Our City remains in solid financial shape. We have been able to maintain reserves that help us to cover cash flow needs and provide a cushion for the unexpected. However, there are serious challenges as we look ahead. Delays in distribution of property tax revenues because of complications from reassessment caused us to issue tax anticipation warrants. This resulted in interest payments of \$89,000 in 2003 and \$110,000 in 2004 that we normally would not have faced. Our expenses have grown faster than our revenues as we have worked with police and firefighter unions to improve the pension base, while also providing decent salary hikes for active duty officers. This trend has been exacerbated by record increases in medical insurance costs. The good news is that we finished 2004 \$2 million below budget. The sobering news is that it was still our second most expensive year since we have been self-insured. Savings in that fund will be used to replenish the reserve account which had been depleted. Because operating

expenses are rising, fewer dollars are available for capital needs and projects. With Council's guidance, we will prioritize projects so that we continue to invest in critical infrastructure and development projects. The best measure of our fiscal status is review by outside agencies. We have again won awards for both our budget process and our financial reports, and our AA bond rating is among the best in the state.

There are other issues outside our control which may put additional pressure on our budget. Speculation about cutting or eliminating the Community Development Block Grant program is worrisome. We would be hard pressed to replace the \$3 million that we receive each year from the federal government. Those funds are used for housing programs, social service support and neighborhood revitalization efforts. The Federal Government used to offer grants or loans for Clean Water and infrastructure improvements, but those days are long gone even though the need is greater than ever across the country. I am also concerned about proposals to limit state property tax relief and MediCare expenses. The people affected by these changes live in our communities. When there are cuts at the state and federal level, responsibility falls to local units of government. We will respond to meet the challenges. We will continue to provide the services that our residents expect from us. We are resilient and resourceful.

Downtown

The heart of our city is beating strong. Continued growth of downtown is essential to the health and welfare of our entire community. 2004 brought a flurry of new activity. City Center has been undergoing extensive renovations to the Holiday Inn and to office space. Bank One is its newest tenant. The Marriott is also upgrading its facilities. Relocation of the Vine and the expansion of the South Bend Chocolate Café are examples of continued vitality downtown. We expect to see more restaurants and new development along Michigan Street as part of the mix of attractions. The pedestrian plaza on Gridiron Row creates a public gathering space for family activities like Santa's House and music on Friday nights before home football games. It will also be home to the new Rockne statue. Our collaboration with DTSB has renewed downtown with spaces to relax and enjoy exciting events. There are beautiful flowers, planters, new benches and trash receptacles.

The South Bend Community School Corporation is moving its headquarters to the heart of our city. Their investment in an old, underutilized building will become an asset to the new

look of downtown. We will complete renovation of the Main at Colfax garage and are working with a developer on plans for a new office as part of a parking structure at Jefferson and St. Joseph. First floor retail spaces will be included in the design. Memorial Hospital and Madison Center continue expansion of medical services with major growth of their campuses. The County did a wonderful job renovating the Jefferson Bridge proving that even infrastructure can be beautiful. This bridge is a great asset for our community. 2005 will see start of construction on the LaSalle Street Bridge. We have acquired the Rink building and the LaSalle Hotel as sites for new residential development. Planning partnerships with the East Bank and Howard Park neighborhoods have been formed to build synergies between both sides of the downtown river bank. In conjunction with Notre Dame's School of Architecture, planning charettes were held for Wells Fargo Park and the Coveleski Neighborhood. Partnerships between the public and private sectors have led to renewed interest in retail, commercial and housing projects that will continue to make our downtown a premier place to work, play and live. Downtown is on the move!

Century Center

For community events and conventions, Century Center is still the premier place to be. Whether hosting the Enshrinement Dinner for the Hall of Fame or Martin Luther King Day events, this facility shines. The structure and the staff are superb. They exhibit flexibility and adaptability, handling everything from RV and Marine shows to service club luncheons and intimate weddings. Last year 683 events brought 216,000 people to the Center. The Chamber of Commerce held its second successful Business Expo, and the City held a Safety Fair. We also reclaimed the Christian Educators Association Annual Conference. In 2003, they had left for a larger facility, having grown so successfully here that they no longer fit. But they missed the service and the hospitality that they had grown accustomed to, so they split their conference into two sessions in 2004 so they could return to Century Center. Over 2,000 people attended those conferences.

Bendix Theater provides additional multi-use space. From the School Corporation award ceremony that recognizes excellence in student achievement to "Princess and the Magic Pea", this was a place for celebration and entertainment. South Bend Civic Theater staged "Holes" as part of their children's theater productions. Later this year, Holy Cross College in conjunction

with the National Endowment for the Arts will bring the Indianapolis Repertory Theater here. It will perform and teach Shakespeare to young students from throughout the region. We are grateful for this new community outreach by Holy Cross College and encourage everyone to support their efforts to introduce young people to theater.

The Century Center Board takes great pride and ownership of this fine facility. They are always looking for ways to save dollars. Phase I of the Energy Management System has saved over \$1,000,000 during 11 years; Phase II (started in 2003) saves at least \$74,000 per year. The Board has recently revised the strategic plan for the Center and benchmarked our facility against several other communities to see how to stay competitive and keep this precious gem shining brightly.

MPAC/Palais

The Morris Performing Arts Center and the Palais Ballroom are key anchors for the downtown and prime examples of the championship results to be gained through strong public-private partnerships. The Morris booked 97 events in 2004 and continues to be listed among top 50 Theater Venues with 2500 seats or less by Pollstar, an industry publication. We gained four new promoters in 2004, expanding the range of shows available to the community. Staff also continues to seek non-theatrical uses for the theater: the Sisters of St. Francis held their annual meeting here, bringing their 500 members to the Palais for lunch as well. We are partnering with local restaurants to offer dinner & show packages to enhance the entertainment experience. The Bistro, in the lower level, is popular dining spot before shows and is used for special events; it is open for lunch M-F 11-2.

In 2004 we highlighted the facility name on west side of building for greater visibility. One final touch remains to finish the edifice – installation of a new state of the art marquee. South Bend Entertainment is close to completing fundraising for this signage. They are still accepting contributions. The new marquee will not only echo the original look of the building, but will be a marketing tool as well. The Palais is also planning new signage – a vertical Palais sign that will bring added attention to this fine facility. The Palais hosted 91 events in 2004! From weddings to fundraisers, fashion shows to ballroom dancing, the Palais is the class place to be. Recently, it was the site for a community celebration of the 160th anniversary of St. Mary's

College and the installation of Carol Ann Mooney as its 11th president. We are grateful for the renewed sense of partnership with the St. Mary's community.

Jon Hunt Plaza in front of the Morris is a great gathering spot. From Fridays by the Fountain to Santa's arrival downtown and lighting the Christmas tree, many memories are being created here. Improvements to the Jon Hunt plaza include relocating Violin Woman, new lights and decorative concrete, and a landscaping "makeover". This is a great public space honoring a great public servant.

ArtsEverywhere

With the success of the Morris, with the enthusiasm for ArtBeat, with the energy that is generated by the arts community, we see the vitality that a commitment to arts can create. The Fire Arts studio on East Colfax is a new home for a group of local artists. It builds on other artistic ventures and reinforces downtown as the center of creativity for our region. There is a new initiative that can take all this activity to a higher level. The Community Foundation has launched a \$6 million drive to increase local resources for the arts. These new resources will be used to expand the quality, variety, and accessibility of arts opportunities throughout St. Joseph County. The ArtsEverywhere Fund will nurture not only the community's cultural vitality but its economic vitality as well. Richard Florida suggests that our ability to thrive may be proportional to our willingness to foster a creative, diverse, culturally rich community. The arts are central to this effort. During our capital budget deliberations I will propose that the City make a pledge to support this fund. We have been strong supporters of the arts through our subsidy for the Morris and the Museum of Art, the Studebaker Museum and various programs. We should be a lead player in this initiative which will improve the quality of life in our community by making access to the arts more universal. It will touch lives with the beauty and the inspiration that only the arts can provide.

Economic Development

It is also important for us to continue to provide development opportunities in a planned and orderly manner at the edge of town. Our challenge is to ensure that growth is planned wisely and carried out effectively. One section of the city that has grown successfully is the Blackthorn development area. Last year was the tenth anniversary of Blackthorn Golf Club a key anchor for

the area. Since 1991, we have seen almost a half billion dollars of investment in the area. This includes \$14.4 million in public investment in 2004. Every dollar of public investment has resulted in \$6 in private investment. This public-private teamwork has resulted 3,000 new jobs, and 8,000 jobs retained. Today, the area includes 400 businesses utilizing 4,000 acres in 11 industrial and corporate parks. United Fixtures is bringing new life to the former Accuride Building. FiServe has relocated into the Trinity Building. And companies like Federal Mogul and The Woodwind and The Brasswind continue to grow. Blackthorn has been a great asset to the City. Because of its location we expect continued growth, but we are also excited about the new development nearby. The Villas at Lake Blackthorn provide a great complement to the variety of housing in South Bend. And we are pleased to work with Holladay Corporation as it creates plans for a mixed use development on the Waggoner Farm site.

On the south side, retail prospects look bright as construction continues at Erskine Village (formerly Scottsdale Mall). Target and Hacienda are doing banner business and Kohl's will be a welcome addition to the mix. Construction should begin soon for the anchor tenants at Erskine Commons at the corner of Michigan and Ireland. We will make road improvements to Michigan and Ireland to support this development. We anticipate that more retail development will follow these major investments. The selection of a route for an improved US 31 gives us the opportunity to plan for new growth that will include residential, retail and commercial. We are also looking at ways to encourage new retail development on the West Side and in downtown.

Master planning for the Northeast Development area calls for new retail nodes at the corner of Eddy and Edison and at the intersection of the new SR 23 at Corby. This is part of our partnership with the Northeast Neighborhood Council (NENC), the Northeast Neighborhood Revitalization Organization (NNRO), the University of Notre Dame and other area stakeholders. Our goal is to build on the area's existing assets to spur residential and commercial development. Strong emphasis will be placed on the newly configured intersection of Edison and Eddy. Infill housing will strengthen existing blocks of homes, while targeted demolition will make way for new residential development in the triangle area north of SR 23. Fredrickson Park will be a major asset to this renovation. By reclaiming a former landfill and turning it into an open green space and environmental center, we are creating a welcoming entry along South Bend Avenue and a place to learn and refresh the spirit. Notre Dame students and faculty have helped to create the vision for the park. The Boy Scouts will build their new headquarters adjacent to the park; it

will have classrooms that will be available to school groups and the public. South Bend Schools are developing a curriculum for use here. This has been a real team effort.

Nearby, in the area known as the Notre Dame Woods, we are promoting creation of a Certified Technology Park. This facility will attract high-tech companies that want to tie into the creativity and research capacity on local campuses. It will help to build the energy and synergy of a strong research community. When done right, tech parks can provide the seeds for new ideas and new products. Spin-off businesses and jobs enrich the local economy and help to keep talented young people in our community – a brain gain rather than a brain drain. Public-private partnerships will ensure the success of such a park and the growth of new companies to strengthen our economy. The Northeast Neighborhood Council has offered its support for this location as a complement to the other investment planned for their neighborhood.

We are looking for innovative ways to support other neighborhoods as well. In 2002, South Bend was designated a Weed and Seed Community by the U.S. Department of Justice. Bounded by Arnold Street on the East, the Norfolk Southern Rail Road on the North, Sheridan Street on the West and Sample Street on the South, this area, under the direction of the Weed and Seed Coordinator, has worked to control violent crime and drug activity. Seven Safe Haven centers have been established for the residents' use. Cooperative programs for the weeding out of crime have been established with law enforcement agencies and prosecutors. Prevention, intervention, treatment, and neighborhood revitalization services have been instituted to seed social and economic revitalization in the area through infrastructure restoration, housing restoration, neighborhood organization, and supportive communication. In 2004, the Common Council adopted the Neighborhood Restoration Plan. Building strong neighborhoods is a critical foundation to the success of the city. We have been recognized nationally for our revitalization efforts. Two years ago we won the National League of Cities Howland Gold Award for our partnership with South Bend Heritage Foundation on the West Side. This past year we were invited to participate in the NLC Showcase of Cities at its national convention in Indianapolis. Our comprehensive redevelopment effort on the Southeast Side was featured as a model for other cities across the country.

We are also focused on reclaiming our industrial core. Studebaker and Oliver Plow were once proud companies that provided good jobs for many families in this community. But the old dinosaur structures have become blights on our landscape, taking up valuable space and

inhibiting other investment in the area. We are committed to reclaiming this land for new investment and growth. In May of 2004, Rose Brick & Materials opened its new facility in the Oliver Industrial Park at Chapin and Sample Streets. This industrial park has risen, like a Phoenix from the dust and rubble, to become the future home of light industrial, warehouse and distribution facilities. The final 19 acres were cleared this fall as the final structure was demolished. Of the remaining parcels in the park, only two are still available. The success of the Oliver Industrial Park is just the beginning of our brownfield efforts.

This project is the first phase of a 10-15 year program to completely revitalize the Studebaker Corridor. We now own the former stamping plant. Several other buildings in the old complex are on our acquisition list. The EPA Emergency Response Team came in to remediate environmental hazards at stamping plant, saving us \$4-500,000. We are now developing bid specs for demolition. We continue to seek federal and state funds to help pay for this major undertaking. We have received several grants through the efforts of our Congressmen. Our CRED District has generated over \$600,000 for reinvestment in the area. That revenue stream will increase as we clear more land and new development fills in. To envision what this area can become, we need only look to the west at the new AJ Wright facility, which opened on February 2. It already employs over 300 people and will eventually employ 6-800. With planning and perseverance, we will return over 120 acres of abandoned industrial land to productive use, creating new private investment, new jobs, and additional tax base for our city.

Cities prep the ground for investment by the private sector. We do this with tax abatements and Tax Increment Financing. We build traditional infrastructure like new roads, water and sewer lines. We clear brownfield sites. But, if our community is to be successful helping local companies grow and attracting vibrant new jobs, we need to be creative about providing new types of infrastructure. I believe that development of the MetroNet will be important to securing our economic future.

Throughout our history, transportation systems have been essential to our growth. First it was the river that brought explorers and traders here. It also provided power for developing industry. Then railroads became our central link to other cities and economic regions. Currently our location on the interstate highway system is a key to attracting just-in-time manufacturers and distribution centers. Our airport is a vital link for business. As we look to the future, the transportation of ideas will be just as critical to our economic health. Affordable access to

communications systems that transport huge amounts of data quickly and securely will be a top item on every company's checklist of requirements.

That is why I am a proponent of development of the St. Joseph Valley MetroNet. The City is not entering the communications business, but we are allowing a local not-for-profit corporation to install fiber optic cable in existing city conduit. The MetroNet is carrier neutral. It will allow multiple communication companies to provide service through the fiber, connecting business to the vast array of transcontinental fiber pipes that run through South Bend. These fibers will also connect local colleges and universities, medical facilities and public institutions. They will allow businesses to access a variety of service providers at competitive prices. This ability to share large amounts of data quickly and securely is our transportation system for future growth – it is the backbone for economic vitality in our region. I am committed to making South Bend the city of choice for companies that move large amounts of data. We should be the first choice for corporate data centers. If we want good jobs for our children, if we want local business to thrive, if we truly want to be a 21st Century City, we must not sit back and wait. We must lead, not follow. I am committed to providing that leadership.

I began my presentation tonight by speaking about champions; about desire, and dreams and vision; about teamwork, creativity and resiliency; about tenacity and focus; about friendship. I see these qualities in abundance in our workforce, in our institutions and organizations; in our volunteers. I believe that we are a City of Champions. We have the spirit and determination to accomplish anything we put our minds to. The energy and effort which is critical to success is evident in the many achievements that I spoke about tonight. We will bring it to bear on the agenda I have proposed: from becoming a healthier city to expanding the arts; from reclaiming brownfields to implementing our Long Term Control Plan for sewers; from MetroNet and Tech Park to retail growth and downtown development. City Plan will help to inform and guide our decisions as we move forward. Still, what I have heard most frequently in City Plan meetings, what I hear consistently throughout the community, what is foremost in my heart tonight, is that we must all unite to nurture a championship spirit in our children – in all our children! We must help them to see their potential, and to achieve it. If we let them fail, we have failed. A child is a terrible thing to waste. That is why I am closing tonight's speech with a plea to support a once in a lifetime opportunity for our county.

This opportunity is the result of the largest single gift to human services in the history of philanthropy. Mrs. Joan B. Kroc donated \$1.5 billion to the national Salvation Army to build and equip new, innovative community centers across the country. Her vision was that these state-of-the-art facilities will provide programs and services which encourage life-changing experiences for children and adults, which strengthen families and enrich the lives of seniors. These centers will engage the promise of every child and be model centers for excellence and achievement. In San Diego, the first Kroc Center has swimming pools, including a therapy pool, a performing arts center, a fitness center, a child care center, an education center, with craft and photography room, an outdoor challenge (ropes) course, an indoor skate park and multi-use spaces. More than 2,400 people use the facility each day. Each facility across the country will be different, designed to meet the needs of the local community.

Competition for these funds was intense. The St. Joseph County Salvation Army, with strong community support from many sectors, put together an outstanding application. It has been pre-qualified for a \$35 million grant to build a state-of-the-art Ray and Joan Kroc Corps Community Center to provide youth and family enrichment. We are the only community in Indiana to be selected. Now the real work begins. Our community must raise an additional \$8.75 million dollars in order for the project to move forward. We must have commitments by August for this vision to become a reality.

Community advisory groups are working with local Salvation Army officials to develop specific programming components. There will be programs for Early Childhood Excellence, for Arts & Technology and for Leadership Development. A Peace Project will develop mentoring and violence prevention programs. The Center will foster excellence, achievement, learning and the exceptional experience of achieving one's full potential. Our St. Joseph County Kroc Center will be a regional destination for culture and the arts, where youth will have the opportunity to explore art, music and theater. Our community will thrive as a place where creative expression is nurtured and developed. There will also be investment in the workforce and in technology. Entrepreneurship will be encouraged and supported. Our children will be prepared not only to compete, but also to lead in the 21st century and beyond. The Kroc Center will also strengthen families.

What better investment can we make? The South Bend Park Department will make Alonzo Watson Park available as the site for this new center. During capital budget discussions

next month, I will propose additional support for this effort. Tonight I call upon our entire St. Joseph County community to participate. It is a formidable goal, but an exceptional opportunity to secure millions of dollars to support our children. We can create a holistic facility which will become a beacon of hope and an agent of change! I know that we have the championship spirit, the vision and the desire that can make this dream a reality. Let's get to it! Thank you.